OKLAHOMA

CURRENT FARM ECONOMICS

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On the Cover

H. B. Cordner, professor of horticulture, with a sample of his Oklahoma 24 sweet potato. Special advantages of this new variety, as compared with ordinary commercial varieties, include more attractive color, higher content of Vitamins A and C, and resistance to stem rot or wilt. Average yield of Oklahoma 24 in 1948 at the Oklahoma A. & M. agricultural experiment station's Perkins farm was 370 bushels per acre. Six state growers are increasing stocks of the variety this year, and it is in the 1949 experimental trials in southern states.

Current Farm Economics

OKLAHOMA

Vol. 22 June, 1949 No. 3

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The Agricultural Situation

GENERAL

Demand

A large part of the tremendous backlog of purchasing power created during World War II has been used, consequently consumers and business men have returned to more normal spending habits. Prior to 1940, savings varied from a low of minus 2.9 percent of disposable personal income* in 1932 to a high of 5.5 percent in 1937, while installment credit gradually increased from a low of 3.2 percent of disposable income in 1932 to a high of 7.2 percent in 1940 (Figure 1).

During the war, short supplies of goods together with the patriotic urge to save created a sharp relative increase in savings to a new high of 23.5 percent of disposable personal income in 1944. In addition, installment credit was sharply curtailed. These factors created a backlog of purchasing power available for spending as soon after the end of the war as the goods and services could be produced.

It was not until the latter part of 1946 that goods came on the market in sufficient quantity to use up part of this backlog of purchasing power; but the primary impact of increasing supplies of goods was reflected in an abrupt decrease in savings from 19.3 percent of disposable personal income in 1945 to 7.4 percent in 1946 and to 5.1 percent in 1947. In the meantime installment credit was being used more extensively although the increase was only to 3.6 percent of disposable personal income in 1947, which was low relative to the prewar period.

In 1948, although savings increased, sales and production of goods and services were surpassing many previous records. A large number of business concerns were expanding and modernizing their equipment and plants, while consumers were purchasing durable goods without regard to increased prices. Much of this stimulus to business activity during 1948 was provided by the use of funds set aside during the war years. These funds have now greatly decreased, and future business activity will depend more on current income and expenditures than in the past few years.

In the first part of 1949, savings were significantly higher and installment credit was somewhat lower relative to prewar years, which indicates that spending habits are becoming

* Total personal income less taxes and other related payments.

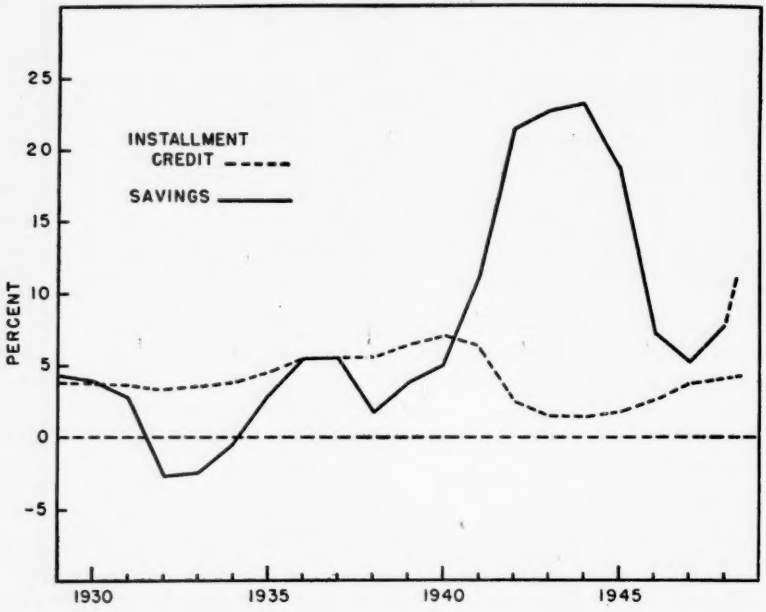

FIGURE 1. Percentage of disposable personal income used for savings and installment credit. United States, 1929-1949. (Compiled from data in **Federal Reserve Bulletin**, Board of Governors of the Federal Reserve System, September 1947, pp. 1105-1114, and subsequent issues.)

more normal, although there is a tendency to save a larger proportion of the income.

In view of these conditions a somewhat lower level of business activity should be expected during the next few months unless government spending is significantly increased. A general tightening up characterizes the psychology of the business men and consumers. Some consumers apparently are anticipating lower prices in the next few months and have curtailed or delayed the purchase of goods which they do not actually require at the present time. If this change in consumer attitude continues to spread, it may cause prices to decline below the level which would exist on the basis of income available for spending.

Business activity should remain favorable even though it is decreasing. The following factors indicate the high level as well as the decrease: *

* *The Demand and Price Situation*, USDA, BAE, April, 1949, p. 2.

1. Industrial production in March, 1949, was 184 percent of the 1935-39 base period. This represented a decrease of 3 percent from February, 1949, and approximately 6 percent from the postwar peak in October and November of 1948. It may possibly have decreased further in April and May; however, it is still high.

2. Civilian employment of 57.8 million persons in April, 1949, dropped below that for the same month a year earlier. Non-agricultural employment decreased .9 million persons in April, 1948, to 50.0 million in April, 1949. Unemployment was 3.0 million persons compared with only 2.2 million in April last year.

3. Department store sales were down 3 percent for the first quarter of 1949 compared with the same period a year earlier. However, a part of this decrease may be attributed to lower prices and to Easter in Mach of 1948 as contrasted to April this year.

4. Personal income was high at 214.3 billion dollars in March, 1949, although it has steadily decreased from the high of 221.0 billion in December, 1948.

Prices

The index of purchasing power of Oklahoma farm products has remained relatively constant throughout the first five months of 1949. In May the index was 104, which was down 1 point from April but up 2 points from February. Even though farm prices have declined approximately 1.1 percent, the index of prices paid by farmers has also declined. In May, 1949, the index of prices paid by farmers (excluding interest and taxes) was 257 percent of the 1910-14 base compared with 258 percent a month earlier.

Decreases in May from April were noted for all commodity groups except meat animals, which increased slightly (Table I). Increased prices of cattle offset price declines for all other livestock. By far the largest decline, 10.5 percent, occurred in miscellaneous crops, with sharply lower hay prices primarily responsible.

Compared with May, 1948, the Oklahoma index of all commodities declined 12.7 percent (Table I). The percentage decrease averaged about 15.9 for total crops compared with a decrease of 7.6 percent for total livestock and livestock products.

TABLE I. Percentage Changes of May Prices from Prices in Selected Months by Commodity Groups; Oklahoma.

Commodity Group	From May, 1948	From April, 1949
All Commodities	-12.7	- 1.1
Total Crops	-15.9	- 1.6
Grains	-15.9	- 2.6
Cotton and Cottonseed	-15.8	- 0.8
Miscl. Crops	-15.5	-10.5
Total Livestock and Livestock Products	- 7.6	- 0.9
Meat Animals	- 8.3	+0.3
Dairy Products	-20.0	- 2.1
Chickens and Eggs	+16.8	- 3.8

However, divergent trends appeared in the latter classification. Dairy products suffered the worst price decline of 20 percent, while chickens and egg prices increased 16.8 percent.

With large prospective marketings of grains beginning in June, Oklahoma prices received by farmers for all commodities probably will decline seasonally for the next few months.

Income

Cash receipts from farm marketings in the United States are expected to be only slightly lower in May, 1949, than in May a year earlier. Unusually large deliveries of crops to the Commodity Credit Corporation are expected to offset most of the price declines that have occurred.

For the first five months of 1949 cash receipts should be about 10 billion dollars, which is slightly less than for the same months of 1948.* Receipts from livestock will be down about 7 percent, while receipts from crops will be somewhat higher for this period.—*Leo V. Blakley.*

FARM REAL ESTATE

Land Prices

Preliminary figures issued by the U. S. Department of Agriculture indicate a 14 percent increase in Oklahoma land prices on March 1, 1949, as compared to a year earlier. Except for one year, this is the greatest percentage increase for any year since prices began to rise in the late 1930's. Land prices rose about 19 percent between March 1, 1945, and the same date a year later.

* *The Farm Income Situation*, USDA, BAE, April, 1949, p. 2.

Indications are that most of the increase shown by Department of Agriculture figures is the result of increases in eastern Oklahoma, rather than an over-all increase for the whole State.

Actual sales coming to the attention of the Experiment Station staff, coupled with inquiry in various parts of the State, leads to the belief that in the western part of the State, asking prices may be higher than a year ago but few farms are selling. The indications are that transactions being made are at levels little if any higher than last year at this time.

In the eastern part of the State, however, information received indicates that land is selling, and at appreciably higher prices than least year. It is reported that a considerable amount of the buying is being done by young men, mostly veterans, who are unable to buy land in other sections of the State and who wish to go into farming.

Mortgage Debt

The U. S. Department of Agriculture estimates that farm mortgage debt in the United States on Januay 1 was 4.6 percent above a year earlier. The increase in Oklahoma was not quite so great, being 4.3 percent above January 1, 1948. The increase since the low year for mortgage indebtedness, 1946, has amounted to slightly more than 9 percent in both the United States and in Oklahoma. This is only a nominal increase, and except for a few individuals the mortgage debt situation is good.—*L. A. Parcher.*

CROPS

Cotton

Domestic consumption of cotton was the lowest in April, 1949, that it has been in any month since June, 1939, totaling only 597,000 bales compared to 830,000 bales in April, 1948. But the export demand has been so much stronger recently that prices have increased to nearly 33 cents for the average of the ten spot markets. Exports in March of this year totaled 577,000 bales compared to 261,000 bales in March, 1948. Exports for the eight months ending with March, 1949, totaled 2,958,000 bales compared to 1,327,000 bales for the same period the previous season.

If consumption and export continue at the rates stated above, the domestic consumption will total about 8 million bales and exports will total about 5 million bales for the year

ending July 31. That would leave between 4 and 5 million bales carryover next August 1, or nearly two million bales more than was carried over last August 1. It is now estimated, however, that the world carry-over will be only about 600,000 bales more on August 1, 1949, than for the previous year.

A large cotton crop is expected, but it remains to be produced. Fertilizer sales have been very high in the cotton states. Trade estimates of the domestic cotton acreage for the current season range from 25 to 27 million acres, with the majority of the estimates nearer the higher amount. The comparable acreage in 1948 was about 23 million acres. If the 1949 yield should equal the average of the last ten years, 27 million acres would produce about 14 millions bales. A recent trade estimate for Oklahoma indicated 1,400,000 acres compared to 1,069,000 acres in 1948. (Existing laws prohibit U. S. D. A. estimates prior to July, although bills to repeal those laws are being considered.)

World demand is not yet satisfied for cotton, if funds become available. World production exceeded world consumption by about 600,000 bales in the current season. This was the first time production has exceeded consumption since 1944, and this happened because of the larger than average crop in the United States. A larger proportion of the world consumption has been in the United States since 1939 than previously, which has left less for the rest of the world. Loans, ECA, and internal recovery will permit some increase in consumption in foreign countries. Increased population and high levels of industrial activity will likely prevent much further decline in domestic consumption.

However, in view of the strong current demand, the potentially large new crop and probably less urgent demand later, the sale of equities in loan cotton or repayment of loans and sale of the cotton in the near future appears desirable. The sale of equities is more convenient, but repayment of loans and selling spot cotton may be more profitable in some markets.

It seems that cotton allotments are generally anticipated in 1950. However, either increased exports or lower yields or a combination of both may postpone or prevent allotments. A law was passed by Congress and approved the last of March,* which prohibits the use of 1949 cotton acreage or yields in calculation of State, county or farm allotments or yields. Therefore, unless this law should be repealed, the amount of cotton

* Public Law 28—81st Congress. Approved March 29, 1949.

planted in 1949 will not affect the allotments if they are applied in 1950 or later. Cotton acreages are not restricted in 1949 by any laws.—*John D. Campbell.*

Wheat

With wheat this year, the question is not, "Will there be a wheat crop?" but "How large will it be? Will it be of record size in Oklahoma, and in the United States?"

The acreage for harvest this year has never been exceeded. For the United States it is 55,656,000 acres and for Oklahoma, 7,023,000 acres. Indicated production of wheat on June 1 was 1,336,976,000 bushels for the United States.

In Oklahoma the indicated production on June 1 was 108,856,000 bushels. Since that time, production prospects have declined, due to excessive rainfall. At that, however, the Oklahoma wheat crop will likely be close to record size.

As the result of the relatively large supplies of wheat, prices will be influenced greatly by wheat loans this coming year. It is entirely possible that, when great amounts of wheat are moving from field to market, even the wheat loan program will not keep prices up to the level of 90 percent of parity, at which level wheat will be supported this current year. A major reason why this might occur is the inadequate amount of storage space available for wheat which can go into the loan. Oklahoma farmers have not shown great interest in storing wheat on the farm. There has, on the other hand, been a considerable expansion of storage facilities at country and terminal markets in the State. Only a short time ago a great share of the country elevators were pretty well filled with commodity credit wheat which could not be moved out until after April 30. Storage will be tight and there are some possibilities of its being very tight, with considerable amounts of wheat piled on the ground.

The "distress" loan program announced the first part of June by Secretary of Agriculture Brannan provides for loans on wheat on the ground or in temporary storage. On this wheat the amount of the loan is 75 percent of the price support. Within 90 days afterwards, the wheat must be placed in satisfactory storage. The farmer will then get the remaining amount of the support price.

Wheat supplies of the world are becoming relatively greater, and certainly within the United States are much greater than can ordinarily be consumed. It is for this reason that agitation for the International Wheat Agreement in the United States was much more favorable this year than a year ago when a similar agreement was proposed. If the agreement is ratified by the nations concerned, it will go into force not later than September 1, 1949.

By this agreement, the United States agrees to sell and the foreign nations agree to buy 168,070,000 bushels annually for each of the next four years beginning July 31 of this year. The agreement fixes maximum prices of $1.80 per bushel for each of the four years and a minimum price of $1.50 for 1949-50 which declines ten cents in each successive year. This price is based upon No. 1 Manitoba Northern Wheat at Ft. William-Port Arthur. In terms of No. 1 Hard Winter Wheat at gulf ports for the coming year, the maximum price is $1.91 and the minimum $1.61 on wheat for export to Western Europe.

Just what lies ahead for the wheat producer with respect to acreage, production, prices, and markets continue to be uncertain. In spite of all that might happen, however, the prospects for this year's production to the Oklahoma farmer are good.—*Adlowe L. Larson.*

FEED

Although heavier rates of grain feeding prevailed in the United States during the first half of the current feeding season (October-March), particularly after January 1, stocks of feed grains on hand April 1 were 89 percent larger than a year ago and nearly 20 percent above the previous high level of April 1, 1943. The combined stocks of corn, oats, and barley amounted to 64.9 million tons on April 1, 1949. This represents a supply of about 820 pounds per grain-consuming animal unit as compared to only 440 pounds a year ago.

More than three-fourths of the supply of feed grains is represented by corn, reflecting the influence of the 1948 record crop. However, about 243 million bushels, or 14 percent, of this supply had been placed under government loan and another 52 million bushels under government purchase agreement by the end of March. In the Corn Belt, about one-sixth of the supply was placed under government loans.

In spite of the relatively large volume of loans and increased corn exports, prices of feed grains have remained somewhat below those of last year because of the increase in supply Little wheat or rye has been fed because of relatively favorable prices for these grains and the abundance of feed grains. Prices for the months ahead will depend on 1949 crop prospects, government loans, and the demand for feed.

Farmers' planting intentions as reported by the Department of Agriculture March 1 indicated a decrease of 2 percent or less in the acreage of corn and oats, about 11 percent in barley, and 12 percent in the acreage of sorghums for all purposes. With average yields, these crops would supply an abundance of feed grains. In addition, an increase of 4 to 5 percent in spring and winter wheat acreages may provide an opportunity to feed more wheat that was so used from last year's crop.

Reports of the U. S. Department of Agriculture for February, 1949, showed increases of about 7 percent in the production of vegetable protein feedstuffs, mainly cottonseed, linseed, and soybean cakes and meals, but declines in the outputs of other by-product feeds as compared to a year ago. Wheat millfeed output declined 6 percent. The total supply of by-products feeds is expected to be smaller than last year but considerably larger than wartime levels. Prices of animal and marine protein feeds were relatively high in April as compared to most other feeds. The prospect is for a supply only slightly larger than that of last year.

The prospective hay acreage is about the same as in 1948. With average yields, the supply would be ample for the livestock on farms though slightly smaller than last year. In many areas of the west, a larger acreage is in prospect, but for Oklahoma the indicated acreage is 7 percent below that of last year, mainly because of reduced peanut acreage and limited ability to make alfalfa seedings last fall.

Pasture conditions in the western range states May 1 were almost as good as average and nearly 4 percent better than a year ago. In Oklahoma, the condition was 5 percent better than last year and slightly better than the ten-year average. In the Osage pastures of Oklahoma, pasture feed was rated at 95 percent April 1, as compared to 87 percent a year ago and 89 percent for the ten years 1938-47. Stockwater supplies were satisfactory throughout the state.*—*F. L. Underwood.*

* Pasture and range data from the State Statistician's reports by K. D. Blood, Oklahoma City, Oklahoma.

LIVESTOCK AND LIVESTOCK PRODUCTS

Beef Cattle

Increased slaughter of beef cattle has contributed materially to holding meat supplies near the 1948 level. Fed cattle represented the bulk of beef slaughter.

More steers were slaughtered under Federal inspection in January and February than in any other year during the last 25 years with the exception of 1947. This, combined with heavier killing weights, has boosted beef production 10 to 25 percent above last year.

Meats in storage on April 1 totaling 857 million pounds were 11 percent below a year ago but 8 percent above the 1944-48 average. Beef stocks were 9 percent below the previous month, 11 percent below a year ago, and 32 percent below the five-year average of 1944-48.

Offsetting reduced meat inventories is the number of cattle on feed on April 1 in the Corn Belt States, which was 23 percent above a year ago. Cattle marketings this year are expected to follow past patterns rather closely. Since 1939, approximately 50 percent were marketed before July 1. With more cattle in feed lots, total marketings will be greater and as a result beef output should increase. This, combined with increased marketings of pork, will probably increase meat output in the next few months.

Heavy receipts of cattle and calves (except calves in January) which characterized Oklahoma City marketings the first three months of this year as compared to a year ago were reversed beginning in April (Table II). During the first three weeks of May, 51 percent fewer cattle and 66 percent fewer calves were sold at Oklahoma City as compared to a year ago. The increased marketings, particularly cattle, during the early part of this year may conceivably have been great enough to result in producers' feeling that the utilization of grass with the remaining numbers might be more profitable even with seasonal price declines than the alternative of selling. Evidence that cattle numbers have been reduced below the capacity of grazing lands is shown by the more frequent newspaper ads indicating pasture grass for rent.

Then, too, the feeling of uncertainty regarding future price levels may have lessened since prices of nearly all kinds of meat animals have strengthened since early February. Feeder steers registered the biggest gains. Lower grades of slaughter steers

TABLE II—Stock Yard Receipts of Salable Cattle and Calves at Oklahoma City for Selected Periods of 1949, with Comparisons*

Period	1948		1949		Percent Change From 1948	
	Cattle	Calves	Cattle	Calves	Cattle	Calves
	Number				Percent	
January	35,583	8,905	36,675	4,675	+ 3	−48
February	23,129	3,806	30,725	3,925	+33	+ 3
March	27,764	4,303	38,525	4,800	+39	+12
April	38,672	7,658	37,925	5,425	− 2	−29
First 3 weeks of May	30,729	6,661	15,175	2,250	−51	−66
Total	155,877	31,333	159,025	21,075	+ 2	−33

* Compiled from Weekly Livestock Market Reviews, Vol. XXXII, Jan. 7, 1949 to May 20, 1949, USDA, PMA, Livestock Branch, Oklahoma City, Oklahoma.

made the next largest gains. Demand for stocker and feeder steers has been very active with prices ranging close to those of a year ago and unusually high relative to prices of slaughter steers.

Prospects for any marked price rise for beef cattle in the next few months appear small inasmuch as increased beef and meat output is anticipated. If demand continues as at present a seasonal price decline can be expected with increased slaughter.—*Robert L. Tontz.*

Dairy

Farmers will sell more milk in 1949 than in 1948; but, because of lower prices for both milk and butterfat, cash receipts for the milk and cream will be be lower.

Although fluid milk prices are now about at the same level as last spring and consumer income is slightly larger the prices of all dairy products have averaged lower in 1949 than in 1948. This reflects a weakened demand for storage stock and for normal inventories in the trade.

Storage stocks on May 1, 1949, and a year earlier were:

Storage Stocks	*May 1, 1949*	*May 1, 1948*
Condensed and evap. milk	12.5 million cases	16.4 million cases
Cream	10.6 million pounds	8.2 million pounds
Butter	15.1 million pounds	4.4 million pounds
Cheese	110.0 million pounds	91.9 million pounds

The May 1, 1949 stocks are not excessive in most cases, but are large in face of apparent unstable or lower inventory values.

Wholesale prices of butter and non-fat dry skim milk solids have recently been stable at government support levels of 11.5 for roller, 12.5 for spray non-fat milk and 59 cents for Grade A butter. These support prices and moderate sales of cheese to Britain have exerted a buoyant effect on manufactured product prices.

Commercial prices of butter have averaged 17.9 cents lowe for the first four months of 1949, cheese 10.2 cents lower and non-fat skim milk powder 3.8 cents lower, as compared to a year earlier.

The shift from the selling of cream to the selling of milk which started in 1935 continued through 1948 according to results of a recent study by the BAE. This study shows not only that the volume of milk sold has increased but also that the percent of the income coming from milk has likewise increased. In 1935 about 52 percent of the milk production sold was sold as milk. In 1948 this had increased to 78 percent of the volume sold. In the cash receipt for milk and cream 64 percent was from milk in 1935 and in 1948 this percentage increased to 85. Data from other sources show that per capita butter consumption is now only about two-thirds of the average per capita consumption for the years 1935-39.

In Oklahoma, creamery butter manufactured in 1947 was only 69 percent of the amount manufactured in 1939. During the same period the manufacture of whole milk products increased 271 percent.

The immediate outlook for marketing dairy products is quite satisfactory, though some of the factors point to lower prices. However, there is a probability that lower feed prices will prevent any appreciable change in present dairy-feed price relationships.—*A. W. Jacob.*

Hogs

Hog prices have been declining seasonally since late March. A price rise during the midsummer is in prospect this year; however, since the fall pig crop was 8 percent larger than last year, the advance may be smaller.

During the past several years fall farrowings have increased relative to spring farrowings to about 60 or 65 percent. In the 1920's and 1930's the fall crop averaged only slightly over

50 percent of the spring crop. The present trend may result in a more pronounced seasonal decline in hog prices during the spring and a less pronounced decrease in the early fall. Moreover, some additional smoothing of seasonal variations may result from the tendency toward earlier farrowing in the spring.

The hog-corn ratio at the present is favorable for hog producers. This situation may be reflected in an increase in the number of sows farrowing this fall. While a favorable ratio in the spring is not a definite guide to increased pig production, ordinarily an increase in fall farrowings follows. Short run changes in the hog-corn ratio are usually a result of changes in the price of corn rather than in the price of hogs. The production and price of hogs may be a more important factor during the current year, however, since a large carry-over of corn is anticipated and prospective plantings for 1949 were about the same as last year.

The general level of hog prices may be expected to decline moderately this fall as a result of the expansion in hog production. Therefore, a decline is likely in the hog-corn ration during the 1949-50 feeding year. Whether the situation will be favorable or unfavorable to hog producers will depend upon the rate of increase in hog production and upon the outcome of the 1949 corn crop.—*Howard S. Whitney.*

Poultry

Chickens and Eggs.—The months of May and June will complete a heavy production cycle and set the pattern for the succeeding periods. Despite a smaller total number of layers on farms compared with 1948, egg production during the first two quarters has exceeded the 1948 production approximately 3 percent. The increased rate of lay is attributed primarily to heavier feeding. The egg-feed ratio has been moderately favorable but not quite so favorable as earlier years for these two quarters. (Tables V and VI).

Storage operations have not been as strong an influence in the market as was anticipated in April. Therefore, the government has been supporting egg prices rather vigorously to maintain prices at the parity ratio specified by law. Usually, a small amount of storage in the flush production months of spring is indicative of a short supply period the following fall; however, this does not seem evident for the fall of 1949.

TABLE III.—Egg Prices Received by Oklahoma Farmers, January 1942 to March 15, 1949.
(Cents per dozen)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	30.2	24.8	25.0	24.4	25.7	27.0	27.0	27.5	29.4	31.4	33.2	34.7	28.4
1943	35.4	33.3	32.9	32.4	32.9	33.3	32.6	32.6	34.3	37.5	39.0	39.6	34.6
1944	32.4	31.6	29.7	26.0	26.7	27.0	28.0	28.5	29.9	32.6	38.6	41.1	31.0
1945	37.5	31.2	30.7	30.8	30.5	31.1	32.3	33.5	30.0	35.0	44.7	45.5	34.4
1946	37.5	29.4	30.1	29.7	30.0	30.0	32.0	32.0	40.0	44.0	41.0	43.0	34.9
1947	38.1	35.1	36.0	37.5	36.5	36.7	38.3	37.4	43.6	47.8	47.7	57.6	41.0
1948	44.3	39.7	38.3	38.3	35.4	36.4	37.0	38.4	41.7	46.0	52.0	53.0	41.6
1949	43.0	40.5	37.9	38.3									

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

TABLE IV.—Chicken Prices Received by Oklahoma Farmers, January 1942 to March 15, 1949.
(Cents per pound)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	14.8	15.3	15.8	16.1	16.8	16.8	15.9	16.7	17.9	17.8	17.2	17.7	16.6
1943	19.0	19.8	20.7	22.1	22.1	22.6	22.3	21.7	22.0	22.3	22.5	21.9	21.6
1944	21.9	22.2	22.2	21.4	21.5	21.8	21.8	21.4	22.0	21.4	21.4	22.1	21.8
1945	21.8	22.1	22.5	23.2	24.0	24.7	24.9	25.8	22.8	21.8	20.9	21.4	23.0
1946	21.6	21.6	21.7	22.4	23.5	23.4	25.5	23.4	24.0	27.0	21.9	22.4	23.2
1947	22.4	21.2	23.0	23.8	23.5	22.2	22.0	22.0	22.5	23.4	22.1	21.6	22.5
1948	22.2	22.4	23.0	24.0	24.0	26.0	28.2	25.7	27.0	26.4	25.8	28.0	25.9
1949	27.0	27.0	26.0	28.1									

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

TABLE V.—Poultry Ration Cost Per 100 Pounds, to Oklahoma Farmers, January 1942 to March 15, 1949.

(Dollars)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	2.01	2.07	2.13	2.12	2.11	2.11	2.10	2.17	2.16	2.14	2.16	2.20	2.12
1943	2.37	2.39	2.45	2.53	2.60	2.63	2.71	2.77	2.75	2.77	2.82	2.86	2.64
1944	2.91	2.92	2.92	2.95	2.96	2.91	2.88	2.87	2.78	2.71	2.71	2.69	2.85
1945	2.72	2.73	2.76	2.79	2.78	2.80	2.84	2.86	2.85	2.89	2.91	2.94	2.82
1946	2.96	3.02	3.10	3.11	3.35	3.49	3.84	3.81	3.63	3.58	3.63	3.47	3.42
1947	3.39	3.42	3.77	3.85	3.85	3.81	3.94	4.08	4.35	4.42	4.53	4.76	4.01
1948	4.92	4.36	4.47	4.56	4.48	4.34	4.17	3.77	3.51	3.43	3.45	3.53	4.08
1949	3.52	3.41	3.45	3.52									

*TABLE VI.—Egg-Feed Price Ratios, Oklahoma**

(Pounds of Poultry ration** equal in value to one dozen eggs)

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1942	15.0	12.0	11.7	11.5	12.2	12.8	12.9	12.7	13.6	14.7	15.4	15.8	12.9
1943	14.9	13.9	13.4	12.8	12.7	12.7	12.0	11.8	12.5	13.5	13.8	13.8	13.2
1944	11.1	10.8	10.2	8.8	9.0	9.3	9.7	9.9	10.8	12.0	14.2	15.3	10.9
1945	13.8	11.4	11.1	11.0	11.0	11.1	11.4	11.7	10.5	12.1	15.4	15.5	12.2
1946	12.7	9.7	9.7	9.5	9.0	8.6	8.3	8.4	11.0	12.3	11.3	12.4	10.2
1947	11.2	10.3	9.5	9.7	9.5	9.6	9.7	9.2	10.0	10.8	10.5	12.1	10.2
1948	9.0	9.1	8.6	8.4	7.9	8.4	8.9	10.1	11.9	13.4	15.1	15.0	10.0
1949	12.2	11.9	11.0	10.9									

SOURCE: "Prices Received by Farmers," Mid-Monthly Release, Agricultural Statistics Division, B.A.E., U.S.D.A., Oklahoma City, Oklahoma.

* These ratios are not indicative of and must never be interpreted as "cost of production." They include only cost of feed, and all other costs of production are in addition.

** Poultry feed ration: percentages of specfied feeds include commercial mash, 32.7 percent; home mixed mash, 11.2; commercial scratch, 4.0; corn, 14.0; wheat, 16.3; oats, 9.9; barley, 1.3; sorghum grain, 10.6 percent. Individual producers' ration cost may be more or less than the above stated costs as estimated by the Bureau of Agricultural Economics. In case poultry-ration cost and egg prices for producers in any community differ from those shown in Table V and Table III, respectively, the actual ratios can be calculated by dividing egg prices per dozen by actual feed cost per pound.

The hatchery report reveals that poultrymen are pursuing a very strong expansion program. In the four months of January, February, March and April, the number of chicks hatched exceeded the 1948 hatchings by 54, 50, 37, and 25 percent respectively. Broiler production likely constitutes a large percentage of this increased output, but it is not likely that the entire increase has been for that purpose. Thus it is likely that poultry numbers on farms January 1, 1950, will show a substantial increase over the previous year. Consequently, poultry supplies, especially eggs, are not likely to be in short supply during the last three months of 1949 and the first quarter of 1950, as is usually the case when into-storage operations are small.

The prices for eggs may be expected to remain at support levels throughout the remainder of 1949 and to average slightly lower than the previous year (Table III). The price for poultry has increased over the previous year, but is expected to react somewhat in the last two quarters when flocks are culled heavily to provide space for the pullets from this year's hatch. The heavy first quarter hatch indicates culling will be earlier than usual. This seems advisable in view of high prices for hens and comparatively short supply; also it will prevent a seasonal conflict with turkey marketing, which gives indications of being enormous.

Turkeys.—Turkey producers are exceeding earlier intentions of production much more than are poultrymen in chick production. The February-March hatch exceeded the 1948 output by 113 percent, and the April hatch was 43 percent greater than that for April of 1948. This gives a total hatch of 70 percent greater than the previous year. The demand for poults has not weakened as hatcheries indicated that they had 63 percent more eggs in incubators May 1 than on May 1 last year. If this rate of production continues, the per capita supply will exceed any prior year. A favorable feed ratio may prevent a reduction in total net income from turkeys, whereas the gross income may decline somewhat.—*K. C. Davis.*

Sheep and Lambs

The world sheep situation is reported to differ considerably from the situation in North American and the United States. (Table VII).

The world total average number of sheep for the prewar years 1936-40 was 740,600,000 head. Also, the estimated annual number of sheep for the years 1944 through 1949 tended to hold relatively stable, although there was some decline in numbers

TABLE VII. Estimated World and Domestic, All Sheep Numbers Average 1936-40, Annual 1944 through 1949.

Region	Five-year average 1936-40	Annual					
		1944	1945	1946	1947	1948[1]	1949[1]
	Thousands						
N. America	59,700	59,000	54,900	50,600	45,400	42,300	39,000
Europe	123,400	108,700	100,200	100,900	101,900	105,800	109,500
Africa	99,500	98,900	95,700	90,700	85,800	91,100	91,600
Soviet Union	66,000	[2]	[2]	61,600	60,800	64,800	[2]
Asia	147,000	142,500	146,900	148,900	152,700	152,900	154,100
S. America	100,900	119,400	120,600	121,400	122,000	122,900	118,600
World total	740,600	743,900	717,700	703,000	679,100	714,900	720,100
United States	51,462	50,782	46,520	42,436	37,818	34,827	31,963
Oklahoma	336	278	255	216	214	155	131

SOURCE: U.S.D.A. *Foreign Crops and Markets*, Vol. 58, No. 17, and U.S.D.A., B.A.E. *Livestock Estimates.*

[1] Preliminary.

[2] Not available.

for the years 1945 through 1947. By 1949 world sheep numbers were estimated at 720,100,000, or within three percent of the prewar 1936-1940 average.

In general, comparing the estimated number of all sheep for 1949 with the 1936-40 average, there was a decline in five of the sheep producing regions of the world, with the decline being comparatively sharp in North America and Europe. Two regions, Asia and South America, reported an increase.

The shift in the relative importance of the world's sheep producing regions probably was accelerated by the nature and degree of the impact of war and war economies upon the different regions. In Europe, for example, the reduction in sheep numbers probably was largely a direct result of wartime destruction. In some other regions agricultural productive factors were shifted to other uses to meet the war and postwar demand. Therefore in regions especially adapted to sheep production and not having more favorable alternative productive enterprises available, sheep numbers and production would tend to increase, providing the limit of demand held or increased.

In other sheep producing regions, production would tend to respond to the impact of changing economic conditions by varying degrees, depending largely on the comparative advantage enjoyed by the industry in the region and as cuhioned by regulatory measures implemented by law.—*Raymond B. Marshall.*

Prices Received by Farmers, Price Indexes, and Indexes of Purchasing Power of Oklahoma Farm Products

(1910-1914=100)

	Prices				Price Indexes				Purchasing Power Indexes,			
	1948	1948		1949	1948	1948		1949	1948	1948	1949	
	April	Feb.	Mar.	April	April	Feb.	Mar.	April	April	Feb.	Mar.	April
	(Dollars)				(Percent)				(Percent)			
Grain					272	216	235	228	103	84	87	88
Wheat (bu.)	2.22	1.91	2.00	2.03	258	222	233	236	98	86	90	91
Corn (bu.)	2.22	1.31	1.34	1.35	342	202	206	208	130	79	80	81
Oats (bu.)	1.18	.86	.86	.83	262	191	191	184	99	74	74	71
Barley (bu.)	1.83	1.22	1.22	1.19	311	207	207	202	118	81	80	78
Rye (bu.)	2.00	1.38	1.25	1.20	233	160	145	140	88	62	56	54
Grain Sorghums (bu.)	2.02	1.18	1.20	1.23	297	173	176	181	112	67	68	70
Cotton and Cottonseed					308	266	258	264	117	104	100	102
Cottonlint (lb.)	.326	.290	.285	.295	288	257	252	261	109	100	98	101
Cottonseed (ton)	93.00	67.00	60.00	56.00	475	342	307	286	180	133	119	111
Miscellaneous Crops					185	177	179	171	70	69	69	66
Potatoes, white (bu.)	2.20	1.80	1.90	1.90	198	162	171	171	75	63	66	66
Potatoes, sweet (bu.)	2.55	2.80	2.90	2.70	207	228	236	220	78	89	91	85
Hay, all loose (ton)	15.00	14.90	14.50	13.70	170	169	164	155	64	66	64	60
Total Crops					291	245	244	248	110	95	95	96
Meat Animals					388	338	371	374	147	132	144	145
Cattle (cwt.)	20.50	17.60	19.60	20.20	424	364	406	418	161	142	157	162
Calves (cwt.)	23.30	21.00	22.40	23.00	390	352	375	385	148	137	145	149
Sheep (cwt.)	9.80	9.50	9.60	10.70	211	205	208	232	80	80	81	90
Lambs (cwt.)	21.50	21.60	23.40	27.00	369	371	401	463	140	144	155	179
Hogs (cwt.)	21.10	18.90	20.10	18.50	300	268	286	263	114	104	111	102

Prices and Indexes, (Cont'd)

	Prices				Price Indexes				Purchasing Power Indexes,[1]			
	1948	1949			1948	1949			1948	1949		
	April	Feb.	Mar.	April	April	Feb.	Mar.	April	April	Feb.	Mar.	April
	(Dollars)				(Percent)				(Percent)			
Dairy Products					296	251	246[2]	237	112	98	95[2]	92
Milk, wholesale (cwt.)	4.50	4.75	4.40[2]	4.00	283	246	228[2]	207	88	96	88[2]	80
Butter (lb.)	.76	.63	.65	.64	339	281	290	286	128	109	112	111
Butterfat (lb.)	.75	.58	.58	.57	320	248	248	244	121	96	96	95
Chickens and Eggs					226	244	231	238	86	95	90	92
Chickens (lb.)	.340	.270	.262	.281	255	287	279	299	97	112	108	116
Eggs (doz.)	.383	.405	.379	.383	215	228	213	215	81	89	83	83
Total livestock and Livestock Products					339	302	319[2]	321	128	118	124[2]	124
All Commodities					305	262	266[2]	270	116	102	103[2]	105

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A. & M. College, from data supplied by Bureau of Agricultural Economics, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D .C.

For previous years, see Oklahoma Agri. Exp. Sta. Bull. 238, **Oklahoma Farm Price Statistics, and Current Farm Economics**, Okla. Exp. Sta. Series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in living and production.

[2] Revised.

——Marguerite Jones.

Price Indexes in the United States and Oklahoma and Indicators of Changes in Domestic Demand.

Year and Month	PRICE INDEXES Average 1910-14=100				INDICATORS OF CHANGES IN DOMESTIC DEMAND		
	Index of Prices Received by Farmers		Index of Prices Paid by Farmers United States	All-Commodity Index of Wholesale Prices United States	Oklahoma Hog-Corn Price Ratio[2]	Index of Demand Deposits Oklahoma[3] Av.1923-27=100	Index of Factory Payrolls United States[4] Av. 1935-39=100
	Oklahoma[1]	United States					
1910	108	102	98	103	14.43		
1911	98	95	101	95	9.17		
1912	96	100	100	101	11.15		
1913	101	101	101	102	11.21		
1914	97	101	100	99	10.55		
1915	100	98	105	102	10.18		
1916	125	118	124	125	10.61		
1917	193	175	149	172	9.52		
1918	226	202	176	192	9.20		
1919	236	213	202	202	11.11		106.2
1920	221	211	201	225	12.55		127.1
1921	109	125	152	142	17.95		82.0
1922	130	132	149	141	13.39		88.0
1923	161	142	152	147	7.44	97.0[5]	111.6
1924	165	143	152	143	7.26	95.8	104.1
1925	161	156	157	151	11.05	106.5	109.7
1926	134	145	155	146	16.44	102.0	113.1
1927	134	139	153	139	14.51	100.5	111.0
1928	151	149	155	141	10.72	100.3	112.3
1929	145	146	153	139	10.65	92.3	119.8
1930	112	126	145	126	11.01	77.4	96.9
1940	92	98	123	114	8.61	92.0[6]	114.5
1941	117	122	130	127	13.77	86.6	167.5
1942	152	157	152	144	14.35	107.4	215.3
1943	172	188	167	150	11.69	162.3	316.0
1944	181	195	176	152	10.56	215.9	320.4
1945	184	202	181	154	11.95	285.3	275.9
1946	226	233	203	175	11.56	335.3	260.6
1947	286	278	216	220	13.31	318.5	323.8
1948	293	287	264	241	12.69	353.3	451.9
1949 Feb.	258	257	245	231	14.54	318.5	357.9
March	261	258	246	231	15.00	247.2	----
April	260	258	246	229	13.70	243.1	----

SOURCES: Indexes of Oklahoma prices received by farmers, computed by Dept. Agri. Econ., Okla. Agri. Exp. Sta., Stillwater, Oklahoma. Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, Bur. of Agri. Econ., U. S. D. A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculated by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Statistics, Washington, D. C.

[1] Prices received by Oklahoma farmers for 25 commodities. Revised, 1910-1939, in January, 1940.

[2] These figures indicate the number of bushels of corn that could be purchased with 100 pounds of live hogs at current Oklahoma prices received by farmers.

[3] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[4] Unadjusted for seasonal variation.

[5] Nine months only. Not available prior to April 1923.

[6] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr. 1940. p. 41.

—Marguerite Jones.